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INTELLIGENCE BRIEF

INDIAN DILEMMA
ON HF-24 AIRCRAFT PROGRAM
APPARENTLY STILL UNRESOLVED

DIRECTORATE OF INTELLIGENCE

Office of Research and Reports

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INDIAN DILEMMA
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The hopes of Indian defense officials to develop a domestic capability in the production of Mach 2 jet aircraft have been concentrated on a consortium with the UAR to manufacture an aircraft using the Indian HF-24 airframe and the UAR E-300 engine. Implementation of the Indian-UAR agreement has been delayed because problems have developed in both engine and airframe programs and because misunderstandings have occurred concerning Indian rights to manufacture the UAR engine in the future. As a result of these problems, Prime Minister Shastri reportedly wished to withdraw from the program in late 1964 but was persuaded by his advisers to let it proceed.

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Indian doubts about the future of the program have been reinforced by press reports of discussions in May of this year between the UAR and Communist China on advanced weapons, including an aircraft project using Chinese airframes and UAR engines.

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India's willingness to collaborate with the UAR is based on the Indian wish to obtain a source of supply for jet engines for which a minimum outlay of foreign currency would be necessary and to provide an outlet in the UAR for Indian HF-24 airframes. The attainment of the first goal is already in doubt because of delays in the UAR engine program. The probability of attaining the latter objective also would be in doubt if the UAR is considering a Chinese Communist airframe rather than the HF-24. As a result of these factors, India is probably reconsidering its position and, unless more favorable progress is soon made, may cancel plans for use of the E-300 engine when a suitable opportunity arises.

1. Background

Over the past several years, both the UAR and India have been attempting to develop a domestic capability to manufacture jet aircraft. So far, neither country has succeeded. In fact, both programs developed

serious difficulties which in turn led to discussions between India and the UAR for the creation of a joint program. The initial contact between India and the UAR for possible collaboration on jet aircraft manufacture was made in 1962 through conversations between the head of the Indian HF-24 development program and the head of the UAR jet engine development program. An outgrowth of these conversations was an agreement signed in Cairo on 28 September 1964 to collaborate in the production of a supersonic fighter aircraft. 1/ The agreement envisions the combination of the Egyptian E-300 jet engine and the Indian HF-24 airframe and provides for the exchange of technical missions and the sharing of designs and other technical data. Collaboration with the UAR would enable India to conserve valuable foreign exchange, if a barter arrangement or some other suitable financial accommodation could be worked out, and to decrease its dependence on either of the big power blocs for military equipment. It also would permit India to sell HF-24 airframes to the UAR, provided the Egyptian jet aircraft plant is unable to produce a suitable airframe. Implementation of the agreement has been delayed because the development and production of the UAR engine have not moved forward as planned. In addition, Indian production of a modified HF-24 airframe to be used as an airborne test platform has been slow.

In May of this year there were several indications that the Indian-UAR program would not succeed. Diplomatic relations between the UAR and Germany were at an ebb, and German technical assistants, who were the backbone of the jet aircraft program, were leaving Cairo in sizable numbers. In addition, the press, quoting well-informed sources in Cairo, reported that a mission from the UAR was in Communist China discussing the joint development and production of a supersonic fighter. 2/ Reportedly, the UAR was attempting to procure Soviet-designed MIG-type airframes from the Chinese. A UAR prototype E-300 engine was to be sent to Peking for evaluation and possible improvement.

The reports of collaboration between the UAR and Communist China prompted the Indian Government to make inquiries about the truth of such accounts. On 10 July the Indian press published a report in which the UAR in effect denied reports of such collaboration with the Chinese. 3/

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Any agreement of this nature would be a source of political embarrassment and concern to the Indians. UAR procurement of airframes from Communist China would also dash India's hopes to offset the costs of the E-300 engine by sales of HF-24 airframes to the UAR. Furthermore, there is evidence that the government of India is already unhappy both with the slow progress that is being made in the UAR jet engine program

and with some misunderstanding concerning Indian production of the engine in the future. In October 1964, while on a visit to Cairo, Prime Minister Shastri reportedly had become so disillusioned with the UAR that he had to be persuaded not to withdraw from the Indian-UAR aircraft program. 5/

25X1 [REDACTED] If the Indians terminate their consortium with the UAR, however, they will have to renew efforts to obtain a suitable engine from other sources.

2. Future Alternatives

If India should terminate its agreement with the UAR as a result of technical problems, diplomatic embarrassment, disagreement over the contract terms, or any combination of these, the UK, the US, or the USSR could provide the necessary assistance for the development of the Mach 2 HF-24. Early attempts by UK firms to develop a jet engine that could be manufactured in India and that would have sufficient thrust to make the HF-24 a Mach 2 aircraft have, however, resulted in the Indian complaint that such engines were too expensive, required too much foreign exchange, and would require too much time to develop. Although both the UK and the US have engines available that would provide the required thrust for the Mach 2 version of the HF-24, they would not be usable without costly and time-consuming redesign of the airframe. Consequently, US firms probably would be in no better competitive position than the UK firms to supply engines for the Indian jet aircraft program.

25X1 [REDACTED] The USSR, which is already providing India with MIG-21 manufacturing facilities, may also offer assistance in developing an engine or offer to sell some other engine of Soviet manufacture. ** Although India has chosen the expensive path of attempting to establish domestic production of two different supersonic fighter aircraft -- the Indian HF-24 and the Soviet MIG-21 -- there is no evidence to suggest that further delays in the HF-24 program might result in its cancellation.

25X1 [REDACTED] ** An agreement has been concluded between India and the USSR that will permit the Indians to manufacture MIG-21 jets. Initially, large components will be shipped into the country for assembly, but, as a technical base develops, manufacture of components will follow.

Any future decision by the Indian Government probably will take into consideration the conservation of foreign exchange, but past experience may have demonstrated to the military production planners that if India expects to proceed with plans to manufacture the HF-24 the most reliable partners will be found in the West. Although India's future course cannot be predicted with confidence, Indian doubts about the ability or willingness of the UAR to perform as planned have created additional problems in Indian defense plans. As a result the program to acquire a domestic capability to produce a supersonic fighter seems likely to be further delayed.

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